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August 18, 2008

AGENDA ITEM 8d

TO: MEMBERS OF THE INVESTMENT COMMITTEE

I. SUBJECT: Securities Lending & Proxy Voting

II. PROGRAM: Securities Lending

III. RECOMMENDATION: Information only

* (Please refer to Attachment 1 for the PowerPoint Presentation)

IV. ANALYSIS:

At the June 16, 2008 Investment Committee meeting, staff presented the Securities Lending annual review. During that presentation, questions arose concerning proxy voting as it relates to CalPERS securities lending program. In an effort to address those questions and provide a background on the topic, staff from the fixed income and corporate governance units have collaborated to develop a PowerPoint presentation covering the topic.

V. STRATEGIC PLAN:

This program contributes to the achievement of Goal VIII of the Strategic Plan by providing low risk incremental returns to the Fund.

VI. RESULTS/COSTS:

This agenda item is for information purposes only.

Mike Johnson
Investment Officer

Daniel Kiefer
Portfolio Manager

Arnold B. Phillips
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Senior Investment Officer

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